

EXHIBIT “J”

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

CASE NO.: C-1-01-641

Q & R ASSOCIATES, INC.,

Plaintiff,

vs.

DEPOSITION

UNIFI, INC., et al,

Defendants.

COPY

WITNESS: RONALD LEE SMITH

**TAKEN AT THE OFFICES OF:
UNIFI TECHNICAL FABRICS, LLC
7201 West Friendly Avenue
Greensboro, NC 27401**

**DATE: 2-23-04
TIME: 12:25 P.M.**

**REPORTER: DALE L. RING
CHAPLIN & ASSOCIATES, INC.**

CHARLOTTE (704) 335-1954 TRIAD (336) 992-1954 RALEIGH (919) 807-1954

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1 was calling on that AVGOL was going to acquire --
2 or was looking to acquire our non-woven facility.
3 He had gotten a call from a customer saying they
4 had heard that from the AVGOL representative and
5 that he was furious about that. And I think from
6 that point, that's when he blew up the
7 negotiations and said, "You guys are doing damage
8 to the business, and I can't let it move forward."
9 And we were asked to take a look to see if we
10 could put it back on track.

11 Q. Okay. You said "he blew up the
12 negotiations." What did you mean by that?

13 A. Purely from a "what I had heard"
14 perspective, Mike had had a conversation on e-mail
15 with Moshe that wasn't very professional. Because
16 when I finally talked to Moshe, Moshe said, "I
17 don't understand why Mike is so upset." So I
18 wasn't getting the fact that Mike was upset from
19 Mike. I got it from AVGOL that Mike was upset
20 about something and that he had cut off the
21 negotiations and said, "This is it. We're not
22 doing -- we're not moving forward with this."

23 Q. Was that in your telephone call with
24 Moshe at the end of March of 2001?

25 A. In the end of March, yeah.

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1 A. No. It would have been -- if we
2 presented something to the board, I would guess it
3 would be in the board notes or the board minutes,
4 but that would be the only place I would know to
5 look for it.

6 Q. By the middle of March of 2001, what is
7 your understanding of the status of the
8 discussions on the UTF deal with AVGOL?

9 MR. WENDLING: Objection.

10 THE WITNESS: Off track, Mike's
11 upset over the rumor, don't -- thinks they're just
12 playing games, and we were looking at evaluating
13 AVGOL as to whether or not they were serious -- a
14 serious buyer or not.

15 Q. (Mr. Packard) I've heard words like
16 "resurrect" and "blow up the deal." Was the deal
17 dead by mid-March 2001?

18 MR. WENDLING: Objection.

19 THE WITNESS: Yes.

20 Q. (Mr. Packard) Okay. Why do you say
21 that it was dead?

22 A. I think from Mike's perspective, he was
23 walking away from the deal. He said, "This is --
24 I don't think you guys are going to do the deal,
25 you're not -- you're not -- the rumor is out.